GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:394
ANSWERED ON:16.12.2009
COAL LIQUEFACTION
Ganpatrao Shri Jadhav Prataprao;Pakkirappa Shri S.

Will the Minister of COAL be pleased to state:

(a) whether the Government has any proposal to extract oil from coal;

(b) If so, the details thereof including the techniques experimented for the purpose;

(c) whether the private companies have also shown their interest to set up projects in collaboration with foreign companies to produce oil from coal;

(d) if so, the details thereof; and

(e) the time by which the oil extracted from coal is likely to be available in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF STATE (INDEPENDENT CHARGE)IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 394 FOR REPLY ON 16.12.2009 ASKED BY SHRI PRATAPRAO GANAPAT RAO JADHAO AND SHRI S. PAKKIRAPPA

(a) to (e) : Yes,Sir.A policy decision has been taken to promote coal liquefaction in the country from the energy security point of view. A gazette notification has been issued notifying coal liquefaction as one of the specified end uses for the purpose of allotment of captive coal/lignite blocks to the entrepreneurs. Both direct and indirect methods of converting coal into oil have been tested commercially in different countries. Coal liquefaction through indirect method has been in vogue for commercial production of oil by M/s Sasol in South Africa for quite some time. An experimental project using direct conversion technology with the coals of North-Eastern Coalfields has been successfully tested earlier by Oil India Limited. Based on the recommendations of an Inter-Ministerial Group, Ministry of Coal has allotted two coal blocks in Talcher coalfields, one each to M/s Strategic Energy Technology Systems Ltd. (SETL) and M/s Jindal Steel & Power Ltd. (JSPL). The names of the coal blocks allotted are North of Arkhapal-Srirampur Block to M/s SETL and Ramchandi to M/s JSPL. The proposed production capacity of each project is about 80,000 barrels of oil per day. The proposed oil production is expected to commence seven years hence.